

Message Text

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ORIGIN TRSE-00

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-07 EA-09 SIG-02 IO-13
H-02 L-03 PRS-01 PA-02 SP-02 USIA-15 AID-05 NSC-05
CIEP-02 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01
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TREASURY

DRAFTED BY TREASURY:RMYERS:SMCP
APPROVED BY EB/IFD/ODF:JABWINDER
EA/EP:AGEBER
EB/IFD/ODF:AADAMS

-----180616Z 075001 /22

P 180004Z JAN 77
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS PRIORITY
AMEMBASSY BERN PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY COLOMBO PRIORITY
AMEMBASSY COPENHAGEN PRIORITY
AMEMBASSY DACCA PRIORITY
AMEMBASSY HELSINKI PRIORITY
AMEMBASSY ISLAMABAD PRIORITY
AMEMBASSY KABUL PRIORITY
AMEMBASSY KATHMANDU PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY NEW DELHI PRIORITY
AMEMBASSY OSLO PRIORITY
AMEMBASSY OTTAWA PRIORITY
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AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY STOCKHOLM PRIORITY
AMEMBASSY THE HAGUE PRIORITY
AMEMBASSY VIENNA PRIORITY
XMT USLO PEKING

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E.O. 11652: N/A

TAGS: ADB, EFIN, PGOV, ECON

SUBJECT: U.S. IN ASIAN DEVELOPMENT BANK

1. FOLLOWING DESCRIBES STATUS OF U.S. PARTICIPATION IN ASIAN DEVELOPMENT BANK AND IS FOR YOUR BACKGROUND INFORMATION. THE FY 1978 BUDGET PUBLISHED JANUARY 17 INCLUDES PROVISIONS FOR U.S. PARTICIPATION IN BOTH THE SECOND GENERAL INCREASE OF ADB ORDINARY CAPITAL AND THE FIRST REPLENISHMENT OF THE CONCESSIONAL ASIAN DEVELOPMENT FUND.

2. ORDINARY CAPITAL--IN OCTOBER 1976, U.S. GOVERNOR VOTED AGAINST PROPOSED 5 BILLION DOL INCREASE IN ADB ORDINARY CAPITAL TO FINANCE LENDING FROM MID-1977 THROUGH 1981. U.S. SUPPORTED MAGNITUDE OF INCREASE BUT OBJECTED TO INCLUSION OF 10 PERCENT PAID-IN CAPITAL. U.S. BELIEVES INTERNATIONAL DEVELOPMENT BANKS SHOULD REDUCE DEPENDENCE ON PAID-IN CAPITAL THROUGH APPROPRIATE CHANGES IN FINANCIAL POLICIES. IN LIGHT OF ADB MODIFICATIONS OF ITS LENDING RATE AND COMMITMENT CHARGE AND CURRENT REVIEW OF ALL FINANCIAL POLICIES, U.S. IS NOW PREPARED TO JOIN IN PAID-IN CAPITAL INCREASE. LEGISLATION AUTHORIZING FOUR YEARS U.S. SUBSCRIPTION OF 814.3 MILLION DOL AND A FIRST YEAR FY 78 APPROPRIATION OF 203.6 MILL. DOL. (20.4 MILL. DOL. PAID-IN AND 173.2 MILL. DOL. CALLABLE) WILL BE SOUGHT IN CY 1977.

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CURRENTLY U.S. HAS COMPLETED ITS SUBSCRIPTION TO FIRST GENERAL CAPITAL INCREASE AND ITS VOTING POWER IS ON PAR WITH JAPAN AT 13.6 PERCENT.

3. ASIAN DEVELOPMENT FUND--LEGISLATION AUTHORIZING A THREE-YEAR U.S. CONTRIBUTION OF 180 MILL. DOL. TO THE CONCESSIONAL ADF WILL ALSO BE SOUGHT IN 1977. INCLUDED IN THE FY 1978 BUDGET IS A 60 MILL. DOL. APPROPRIATIONS REQUEST FOR FIRST U.S. PAYMENT. MOST OTHER ADF DONORS PARTICIPATING IN THE 1976-78 809 MILL. DOL. REPLENISHMENT HAVE MADE THEIR CONTRIBUTIONS AVAILABLE TO THE BANK. THIS FIRST U.S. PAYMENT OF 60 MILL. DOL. WILL NOT LIKELY BE OBTAINED BEFORE EARLY FALL OF 1977. IN THE MEANTIME, WE ARE SEEKING, IN SUPPLEMENTAL FY 1977 BILL, APPROPRIATION OF FINAL 25 MILL. DOL. REMAINING OF 150 MILL. DOL. PLEDGED BY U.S. TO ORIGINAL 1973-75 ADF RESOURCE MOBILIZATION.

4. FOR MANILA--AT YOUR DISCRETION, PLEASE INFORM BANK MANAGEMENT AND BOARD OF DIRECTORS OF ABOVE INFORMATION. WE HAVE NO FIRM DATE FOR AUTHORIZATION OR APPROPRIATIONS

HEARINGS, ALTHOUGH THEY SHOULD COME IN EARLY SPRING.
KISSINGER

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Remarks:
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